



THE ROCKEFELLER UNIVERSITY

1230 YORK AVENUE

NEW YORK, NY 10021

January 15, 1981

JOSHUA LEDERBERG

PRESIDENT

The Honorable Harrison Schmitt
United States Senate
248 Russell Senate Office Building
Washington, D. C. 20510

Dear Senator Schmitt:

Your letter to Science, which just appeared, was too important a statement for me to let it pass by without comment. Bravo!

I am generally more enthusiastic about Milton Friedman's ideas than he would be willing to acknowledge and, like him, would place strong reliance on the discipline of the marketplace for resource allocation. To attach a license fee to the exchange of every bit of new fundamental knowledge, which would be necessary to apply market doctrines to the world of science and scholarship, would encumber the system with transaction costs likely to exceed the material value of each piece of the puzzle. Such a system would be inherently unworkable and unenforceable. So in addition to the problems of risk absorption by the private sector, there is a vitally important area of work for common benefit which simply cannot be advanced without common participation in its support.

The clarity and force of your own insight on these matters is most gratifying; and I would welcome ways to offer my colleagues' and my own support towards promulgating a wider understanding of the issues. I could not agree more with the particular remarks that you made on the missions of NSF and NIH.

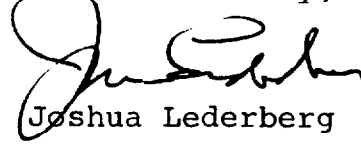
Here at The Rockefeller University, which is dedicated to biomedical research, we are also looking very positively and intently at research relationships with industry. These relationships could help in moving to practice useful products stemming from fundamental, government-supported work. The most important function of government in this sphere is probably to remove encumbrances rather than to add financing to those efforts. There are, however, programs precisely in

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fields like agriculture, where the possibility of proprietary return on investment is hindered by structural factors, and where government participation is indispensable, jointly with industry, to meet urgent national and global problems.

Yours sincerely,



Joshua Lederberg

bcc: W. O. Baker
RWR